

*UNEMPLOYMENT INSURANCE
QUARTERLY RESEARCH
STATUS REPORT*

April- June 1993

July 1993

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I. UI RESEARCH AND DEVELOPMENT PROJECTS

A. RESEARCH AND DEVELOPMENT PROJECTS

Study Title: Unemployment Insurance Performance Measurement Review ProJect (PMR)

Purpose: UIS is pursuing this project to ensure that the Secretary of Labor's statutory responsibilities for the administration and oversight of the UI programs are being carried out effectively. This is a multi year project consisting of three phases. Phase I, the design stage, included the development of alternative performance measures. Phase II, the current phase, is a field test of measures to determine their operational feasibility. Phase III will include training of SESA staff and implementation of the performance measurement system in SESAs.

Beginning Date: September 30, 1988

Ending Date: 1995 - Begin Nationwide implementation

Contractor: Phase II - Mathematica Policy Research, Inc.

UI Monitor: William N. Coyne

Status: UIS released software on July 8, 1993 to six States participating in a field test of measures of performance in the payment of UI benefits. This release of version 1.0 of the software brought the PMR project to an important milestone. With it, UIS begins a three month pretest to be followed by a 12 month field test of the new measures. The new software will run on SUN hardware in each of the six States and create a database that will be available to the six States, the National Office, and to four Regional Offices participating in the field test. It includes input screens to enter data concerning the promptness and quality of benefit payment functions. Technical documentation for the software and a user's manual are available on line from the print/display screens. UIS conducted training for the field test States participants in June 1993. The field test States are New Hampshire, Missouri, Kansas, Illinois, Wisconsin, and California.

Funding Source: National Activities (Phase II)

Study Title: Study and Analysis of Employee Leasing Firms

Purpose: The purpose of this project is to update existing surveys of the impact of employee leasing on the State UI systems as well as to develop hard data on the impact of employee leasing on trust fund revenues and experience rating in several States.

Beginning Date: June 1, 1993

Ending Date: June 30, 1996

Contractor: KRA Incorporated

UI Project Monitor: Norman L. Harvey

Status: The first meeting with the contractor is to be held on July 2, 1993.

Funding Source: OSPPD PY 1992 Research Funds

Study Title: Non-Filer Study

Purpose: This study is being conducted to determine the magnitude and characteristics of the unemployed who do not apply for unemployment insurance (UI). Also, the study will determine the reasons these non-filers do not apply for UI and the proportion who would have been monetarily eligible for UI had they applied.

Beginning Date: June 30, 1993

Ending Date: December 31, 1994

Contractor: Bureau of Labor Statistics (BLS) with the Bureau of the Census and selected States

UI Project Monitor: Wayne Zajac

Status: Interagency agreements have been completed with the Bureau of Labor Statistics and the Bureau of the Census to collect, process and analyze the data. Six States have agreed to provide wage record data to be used in determining monetary eligibility. BLS began data collection in 1993 using supplemental questions to the Current Population Survey (CPS). California has submitted the first

part of their wage record file and other States will be requested to do so beginning in August 1993.

Funding Source: OSPPD PY 1991 Research Funds

Study Title: The Effects of Raising the Taxable Wage Base

Purpose: The Department of Labor (DOL) wants to develop estimates on the extent employers shift taxes associated with an increase in the taxable wage base onto labor, while taking into account the micro and macro impacts of such a tax increase. Furthermore, DOL wants specific public finance estimates of firm behavior after a UI tax increase. The overall goal of this project is to determine the dynamics of how firms behave when subject to an increase in UI taxes. The unit of analysis in this project will be the firm. The objectives of this project are to discover:

1. What is the impact on firm behavior, when subject to an increase in UI taxes, and how can this behavior be measured?
2. How can we best understand what happens when there are small and large increases in UI taxes?
3. Are there impact differences between low wage and high wage base firms?
4. Who ends up paying for the tax increase? (i.e., firms, workers, other firms, and/or consumers)

Results of this study will be used to aid congressional and executive branch officials in making policy decisions concerning increases in the UI tax system.

Beginning Date: June 1, 1992

Ending Date: May 31, 1994

Contractor: KRA Corporation

Project Monitor: Steve Marler

Status: KRA has delivered a revised design and a

literature review. KRA is proceeding to complete arrangements with sample States and begin data collection.

Funding Source: OSPPD

Study Title: Alternatives for Financing Unemployment Insurance Trust Fund Debts

Purpose: This report examines alternative methods of financing State UI trust fund indebtedness. The two main options included are the Title XII borrowing and the issuance of bonds by debtor States. This report will provide information on the two options, evaluate their respective strengths and weaknesses, review the recent history of State borrowing and bond issuance, and make some simulated cost comparisons. Finally, the report will try to identify any circumstances under which one type of debt financing may be preferable to another.

Beginning Date: March 1, 1993

Ending Date: July 30, 1993

Contractor: Wayne Vroman of the Urban Institute

UI Project Monitor: Robert Pavosevich

Status: A final report has been submitted for comments and evaluation.

Funding Source: National Activities

Study Title: Extended UI Benefit Triggers

Purpose: This study will examine the implications of using alternative UIR and TUR based triggers for extended UI benefits. This examination of alternative triggers considers the degree to which alternative triggers and trigger rates would have provided extended benefits coverage to the UI population during the past decade, and how this extended benefits coverage would have been distributed by Region, calendar quarter, and labor market. This examination also includes an analysis of alternative trigger rates and trigger definitions that in many cases include a

"threshold" requirement--that is a requirement that the current UIR or TUR exceed 120 or 110 percent of the average rate in the corresponding period during the previous two years. This study was requested by members of the Senate Finance Committee in late 1991.

Beginning Date: June 1, 1992

Ending Date: August 15, 1993

Contractor: Mathematica Policy Research, Inc.

UI Project Monitor: Robert Pavosevich

Status: A final product is expected by July 31, 1993.

Funding Source: National Activities
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Study Title: Revenue Quality Control Employer Compliance Pilot

Purpose: This project will test the feasibility of determining the extent to which registered UI employers comply with State laws regarding filing accurate contribution reports, and payment of contributions due.

Beginning Date: October 1993

Ending Date: October 1994

Contractor: Abt Associates assisted in the design. A contractor to assist with implementation and perform evaluation yet to be selected.

UI Project Manager: Burman Skrabble

Status: Preliminary design is complete and State volunteers being solicited. OMB clearance is being sought.

B. TECHNICAL ASSISTANCE PROJECTS

Study Title: UC Tax Auditor Training

Purpose: The purpose of this study is to develop and compile training materials to be used by State agencies to train unemployment compensation tax auditors with a modular instruction program to supplement State specific programs.

Beginning Date: October 1, 1991

Completion Date: June 30, 1993

Contractor: Indiana Department of Employment and Training Services (IDETS)

Sub Contractor: White River Training Company, Indianapolis, IN.

UI Monitor: Neal Cook

Funding Source: UI National Activities (\$500,000)

Status: This is the final report on this project. The final steps were three "Train the Trainer" sessions that were held in May and June. Distributing the training packages to ETA and the States will be completed early in July. The training program is complete and was accepted by ETA in June.

Funding Source: UI National Activities

Study Title: Benefit Payment Control (BPC) Technical Assistance Guide (TAG) and Training

Purpose: This project will examine, evaluate and identify successful and cost effective methods nationwide for operating benefit overpayment prevention, detection, recovery and prosecution systems. The project will include an examination of the Automated Model Recovery and the Model Crossmatch Systems. A comprehensive BPC TAG, which serves both the intrastate and interstate programs, will be developed. Associated training will be conducted for State BPC staff on the use of the newly developed TAG.

Beginning Date: October 1, 1991

Ending Date: Fiscal Year 1994

Contractor: Maryland Department of Economic and Employment Development

UI Monitor: Ginger Weight

Status: Maryland project staff received comments on the draft TAG from 11 SESAs and 2 Regional Offices. After incorporation of the comments, the TAG has been forwarded to the Philadelphia Regional Office and subsequently

to the National Office for review. The State will be finalizing the TAG and developing a detailed training plan during the next quarter.

Funding Source: UI National Activities

II. UI DEMONSTRATION PROJECTS

Study Title: Maryland Work Search Demonstration

Purpose: The overall goals of this project are to determine the impacts of various alternative work search requirements on UI claimants as well as the UI system. Specific objectives include whether increased work search stringency or relaxation speeds or hinders the return to work; if so, what are the impacts on the nature of the individual's job.

Beginning Date: September 27, 1991

Ending Date: April 1996

Contractor: Maryland Department of Economic and Employment Development (DEED), with Abt Associates

UI Project Monitor: Wayne Zajac

Status: Full-scale operations started June 14, 1993 and will continue for 12 months. Upon completion of intake operations, evaluation of project impacts will be done by the research contractor.

Funding Source: UI National Activities

Study Title: Massachusetts Self-Employment Demonstration Project

Purpose: This project will test self-employment as an alternative use of unemployment insurance. The project, which was authorized by Congress, will determine the effectiveness of providing self-employment assistance to interested UI claimants to help them start their own small business. Demonstrations of self-employment assistance will include either weekly or biweekly self-employment allowance payments, business training, counseling, and supportive services.

Beginning Date: June 18, 1988

Ending Date: December 23, 1993

Contractor: Massachusetts Department of Employment and Training and Abt Associates, Inc.

UI Project Monitor: Jon Messenger

Status: The project is currently completing the final year of operations in seven local sites: Greenfield, Lowell, Milford, North Hampton, Roxbury (Boston), Springfield, and Woburn. As of June 11, 1993, statistics for third year operations in the Massachusetts Project were as follows:

- * 351 claimants had been randomly selected for the treatment group, which is receiving self-employment assistance.
- * 350 claimants had been randomly selected for the control group
- * 60 of those project participants who had completed the project have started their own businesses thus far.

An initial impact evaluation for the demonstration will be completed by Fall 1993, as a part of a comparative analysis of both self-employment projects.

Funding Source: Administrative costs--State funds; Self Employment Grants--State UI Trust Fund (authorized by Congress under the demonstration legislation); Research and Evaluation--OSPPD funds.
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Study Title: Washington Self-Employment Demonstration Project (SEED)

Purpose: This project will test self-employment as an alternative use of unemployment insurance. It will determine the effectiveness of providing self-employment assistance to interested UI claimants to help them start their own micro-business. Demonstration self-employment assistance will include both lump-sum grants of business start-up capital and business training, counseling, and supportive services.

Beginning Date: September 30, 1987

Ending Date: December 1993

Contractor: Washington Employment Security Department and
Abt Associates, Inc.

UI Project Monitor: Jon Messenger

Status: The demonstration project is currently in
evaluation phase.
Final statistics on the Washington SEED
Project are as follows:

- * 755 claimants were randomly selected
into the treatment group, which will
receive demonstration self-employment
assistance.
- * 752 claimants were randomly selected
into the control group.
- * 450 participants received lump-sum
self-employment grants averaging \$4,225
to start their own businesses.

An initial impact evaluation of the
demonstration will be completed by Fall
1993.

Funding Source: Grants--ETA S&E; Research and Evaluation
OSPPD funds.
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Study Title: ES/WI Database Linkage Projects

Purpose: The demonstration project is a joint effort
between UI and ES to explore the advantage(s)
of having an automated and integrated WI/ES
applicant filing procedure and data base.
The marriage of the UI and ES data bases
should benefit the claimant (increased
opportunities for return to work, elimination
of redundant requirements), employer
community (quicker response time to requests
for job applicants, enhanced quality of
referrals, and reduced taxes through reduced
duration) and the agency (improved public
image, streamlining of traffic and receptions
functions, cultivation of WI/ES coordination,
and elimination of redundant data entry).

Beginning Date: October 1, 1991

Ending Date: November, 1993

Contractor: Alaska, Colorado, Missouri, Minnesota, and Virginia State Employment Security Agencies

UI Monitor: Diane Wood/Wayne Zajac

Status: The States are in various stages of implementation. The College of William and Mary, under contract with the State of Virginia, is responsible for an analysis and evaluation of the demonstration projects and has submitted an evaluation design for approval. Plans are being discussed regarding presentation of the project(s) at some future meeting which will include SESA participation.

Funding Source: ES National Activities

Study Title: New Jersey Follow-up Study II

Purpose: The purpose of this study is to conduct a second follow-up study to the long-term earnings and UI program impacts on selected participants in the New Jersey Reemployment Demonstration Project (NJUIRDP). Treatment services were: (1) Job search assistance (JSA); (2) JSA with training or relocation allowance; and (3) JSA combined with a reemployment bonus. Results from the original NJUIRDP showed that job search assistance alone was the most effective treatment service. A follow-up study was completed in 1990 and indicated that the treatment service impacts were to be measured over a seven-year period and during different economic conditions. Results will be very useful in analyzing the long-term impacts of the treatment services.

Beginning Date: June 30, 1992

Ending Date: December 30, 1994

Contractor: New Jersey Department of Labor with Mathematica Policy Research, Inc.

UI Project Monitor: Wayne Zajac

Status: New Jersey Department of Labor (NJDOL) has begun to assemble the needed data from its wage and benefit records and will provide this data to their research contractor (Mathematica Policy Research, Inc.) for

analysis by September 1993. Preliminary results are expected by June 1994.

Funding Source: Unemployment Insurance Research and Training (UI R&T)

III. DOL PROJECTS RELATED TO UI

Study Title: Regional Labor Market Performance and U.S. Department of Labor Programs

Purpose: The Urban Institute conducted a study of the geographic shifts in the incidence of unemployment to determine the implications for future regional unemployment trends for worker adjustment policy. A multi regional econometric model was adapted to make projections of state unemployment to the year 2000. Estimates were made of the worker adjustment services needed by State activity levels for the UI, ES, and JTPA programs to meet the reemployment and training needs of the unemployed in the year 2000.

Beginning Date: June 29, 1989

Ending Date: December 31, 1992

Contractor: The Urban Institute

UI Project Monitor: Wayne Zajac

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Performance and U.S. Department of Labor Programs was submitted to UIS in January 1993. It is expected to be published as a UI Occasional Paper.

Funding Source: Office of Strategic Planning and Policy Development (OSPPD)

Study Title: An Evaluation of the Trade Adjustment Assistance Program

Purpose: The project will provide a comprehensive process and impact evaluation of the trade adjustment assistance program. It will include an examination of the implementation and affects of amendments to the TAA program contained in the Omnibus Trade and Competitiveness Act of 1988.

Beginning Date: June 19, 1989

Ending Date: April 30, 1993

Project Monitor: Daniel Ryan, OSPPD

Status: Project is complete. Limited copies of final report are available from the project monitor.

Funding Source: Office of Strategic Planning and Policy Development (OSPPD)

Study Title: Evaluation of Colorado's Transition to Telephone Claim Processing

Purpose: The Colorado Department of Labor & Employment began processing all initial unemployment

insurance claims over the telephone in April 1991 and eliminated UI claim processing functions from all Job Service local offices throughout the State. This study will utilize information from required reports, the Benefits Quality Control Program, and a survey of UI claimants to monitor and evaluate agency operations under this new procedure.

Beginning Date: December 1990

Ending Date: May 1993

Contractor: Mathematica Policy Research, Inc. (survey only)

UI Project Monitor: C. Douglas Scott

Status: Survey completed by Mathematica Policy Research, Inc. Final report currently under review.

Funding Source: Office of Strategic Planning and Policy Development (survey only).